

**MINUTES  
REGULAR MEETING  
RETIREMENT BOARD OF TRUSTEES  
EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF BATON ROUGE  
AND PARISH OF EAST BATON ROUGE  
SEPTEMBER 26, 2019**

The regular meeting of the Retirement Board of Trustees was held in the boardroom of the Retirement Office at 209 St. Ferdinand Street, and was called to order at 10:06 a.m. by Board Vice-Chairman Mr. Mark LeBlanc. Members present: Chief Richard Sullivan, Sergeant Neal Noel, Mr. Joseph Toups, Mr. David West, and Mr. Brian Bernard. Absent: Ms. Marsha Hanlon. Staff present: Mr. Russell Smith, Mr. Mark Williams, and Mr. Kyle Drago. Others present: Ms. Denise Akers – legal counsel.

Mr. Kyle Drago formally called the roll.

There was a call for public comments prior to introduction of the first agenda item. There were no public comments.

The vice-chairman began by introducing Item 1, Reading and Approval of Minutes, and noted that there were minutes being considered for approval from the regular meetings of July 25, 2019 and August 29, 2019. There were also minutes for approval from the Investment Committee meeting of August 13, 2019, and from the Election Committee meeting of August 22, 2019, and the vice-chairman called for a motion.

**Motion by Chief Sullivan, seconded by Mr. West to suspend the reading of, and approve the minutes of the regular meetings of July 25, 2019 and August 29, 2019, and the minutes of the Investment Committee meeting of August 13, 2019, and the Election Committee meeting of August 22, 2019 as presented.**

**No discussion and no objections.**

**Motion passed by those members present.**

At this time the vice-chairman asked that Item 9A, Presentation of the 2018 Financial Audit Report, be taken out of order to accommodate the schedule of the presenter, Ms. Tiffani Dorsa of P&N.

**Motion by Mr. LeBlanc, seconded by Mr. Toups to approve taking item 9A out of order.**

**No discussion and no objections.**

**Motion passed by those members present.**

Ms. Dorsa called the Board's attention to a summary handout regarding the past year's audit results. She stated that P&N had issued an unmodified opinion of the System's financial statements as of December 31, 2018, which is the highest level of assurance that the financial statements are materially correct. They did not identify any material weaknesses in internal control, or any material violation of laws or regulations. They did issue a management letter to address ways to strengthen internal control and enhance operational efficiencies that came out of the Statewide Agreed Upon Procedures process. These items dealt with having written policies and/or procedures. There was also an item dealing with missing documentation in one folder, and an item dealing with passwords for the IT system, but nothing that was of great concern. Ms. Dorsa then reviewed some charts relative to net position, actuarial accrued liability, benefits and contributions. She then reviewed the same types of charts for the Police Guarantee Trust. She then stated that management is responsible for the adherence to required accounting policies, the use of estimates, and the use of actuarial assumptions. She noted a liability under GASB Statement 75 dealing with Other Post-Employment Benefits that should be ultimately recognized by the Retirement System rather than by the City-Parish.

Under Item 2, Disability, there were no applications for consideration for disability retirement.

The next item on the agenda was Item 3, Benefits Report, and the vice-chairman called on Mr. Smith to present the report. Mr. Smith stated that the staff had gone over the report yesterday. He stated that there was nothing unusual, but called the Board's attention to an actuarially computed benefit for a member that had passed away while in active service, and an item reflecting a reciprocal recognition of service. He stated that the report was in order as presented, and that the staff would answer any questions.

**Motion by Mr. West, seconded by Chief Sullivan to approve the Benefits Report as presented.**

**No discussion and no objections.**

**Motion passed by those members present.**

The next item on the agenda was Item 4, DROP Notifications Report, and it was noted that this

report was provided for informational purposes only, and no action was necessary.

The vice-chairman then moved to Item 5, Consultant Reports, and under 5A, Status on Pending Legal Matters recognized Ms. Akers. Ms. Akers stated that she recommended that the Board go into executive session in accordance with R.S. 42:17 A.10.

**Motion by Mr. LeBlanc, seconded by Mr. Toups to go into executive session to discuss a matter in accordance with R.S. 42:17 A.10.**

**No discussion and no objections.**

**Motion passed by those members present.**

Executive session began at 10:14 a.m.

Regular session resumed at 10:52 a.m.

Still under Item 5, the vice-chairman noted that there was a request for an hourly rate increase in fees from the Law Offices of Akers & Wisbar, LLC. Ms. Akers stated that the firm was requesting the \$10 per hour increase from all their public system clients, and that all had granted the request.

**Motion by Mr. LeBlanc, seconded by Chief Sullivan to approve the requested rate increase for the Law Offices of Akers & Wisbar, LLC.**

**No discussion and no objections.**

**Motion passed by those members present.**

Under Item 6, Committee Reports, under Item 6B, Mr. LeBlanc reported on the Investment Committee meeting of September 24<sup>th</sup>, at which the committee interviewed Brookfield and IFM Investors to manage an allocation to infrastructure to replace the Master Limited Partnership allocation currently managed by Harvest/Blackstone. He noted that MLP's had not performed well over the time CPERS had held them, and that AndCo had recommended an infrastructure allocation that would perform more consistently in a variety of market conditions. After interviewing both firms, the committee believed that IFM could better serve the System's needs, given that they had been in the open-ended infrastructure investment business longer than Brookfield and have a proven track record. Thus the committee passed a motion to recommend to the full Board hiring IFM as infrastructure manager, provided that successful negotiation of a contract can be accomplished.

**Motion by Mr. LeBlanc, seconded by Mr. West to hire IFM to be the Board's infrastructure investment manager for a 5 percent allocation, in place of the allocation currently with Harvest/Blackstone MLP, pending successful negotiation of a contract.**

**Under discussion Mr. West asked Ms. Akers about the incorporation of IFM in Delaware, which Ms. Akers stated she would look at closely when reviewing the contract.**

**There were no objections to the motion.**

**Motion passed by those members present.**

It was noted that although it could take up to 18 months to deploy the assets with IFM, the assets under the management of Harvest/Blackstone could be liquidated in less than 10 days and parked in another asset class such as risk parity without violating the Investment Policy. Mr. LeBlanc went on to state that AndCo had also recommended replacing Gryphon International Investors, and toward that end, the Investment Committee would be interviewing the firms of WCM Investment Management and Harding Loevner on October 16<sup>th</sup> as possible replacements.

Moving to Item 6C, Election Committee, Mr. Toups stated that an Election Committee meeting was held on August 22<sup>nd</sup> at which the rules of the regular representative election were approved, and Mr. Smith was appointed as the person responsible for carrying out the election procedures. Mr. Toups noted that there had been an error in the scheduling, and that the committee had reduced the period for casting ballots by the mail-in process. Mr. Smith stated that 4 candidates were originally nominated, only 3 of which were in order. He also stated that the number of eligible voters totaled 2,280. Mr. Toups related details of the candidate who was found not eligible and noted that every opportunity was given him to secure a valid and completed nomination form. Mr. Bernard stated that nomination forms were sent by fax, and he stated that many departments no longer used fax transmissions, but preferred emails.

Moving to Item 7, Staff Reports, the vice-chairman noted that under Item 7A there was a CPERS travel credit card statement for the Board's information. Mr. Smith reported that the card had been used for two Board members to travel to attend LAPERS, and that the card balance had already been paid.

Under Item 7C, there were invoices from the Law Offices of Akers & Wisbar, LLC for the month of August, which Mr. Smith verified as being in order as presented.

**Motion by Mr. West, seconded by Mr. Toups to approve payment for the charges to the Law Offices of Akers & Wisbar, LLC as presented.**

**No discussion and no objections.**

**Motion passed by those members present.**

Under 7G, Cash Activity Report, Mr. Drago stated that there was no unusual activity for the month, and that the budget comparison report was included in the packets.

The next item on the agenda was Item 8, Unfinished Business, and the vice-chairman noted Item 8A, Update on Action Taken Regarding Withdrawal Liability and CPERS Ordinance Language Changes, and noted that this item had been addressed earlier in the meeting.

Under Item 8B, 2018 Professional Consultant Evaluations, the vice-chairman reminded the Board members to turn in their evaluations to Mr. Smith as soon as possible.

The vice-chairman then moved to Item 9, New Business, and under 9A noted that the item was addressed out of order earlier in the meeting.

Under Item 10, Administrative Matters, Mr. West reminded the Board about the interest shown recently by EMS employees regarding obtaining copies of meeting minutes and meeting agendas. Mr. Smith stated that meeting agendas are posted online, and the CAFR is on the System's website. It was agreed that the staff would contact the designated person(s) at EMS to see what materials they are lacking and to furnish those to them.

The vice-chairman then continued to Item 11, Police Guarantee Trust Matters, and under Item 11A, PGT Benefits Report, recognized Mr. Smith who stated that there was one unique item on the report regarding a member who will participate more than 2 years in the CPERS DROP before enrolling in the MPERS DROP. He stated that the report was in order as presented.

**Motion by Mr. Bernard, seconded by Sgt. Noel to approve the PGT Benefits Report as presented.**

**No discussion and no objections.**

**Motion passed by those members present.**

Under Item 11B, the vice-chairman noted that the PGT DROP Notifications Report was provided for the Board's information, and that no action was required.

There were no matters under Item 11C, Consultants' Reports.

There were no investment manager invoices under Item 11D.1 for the Board's review.

Under Item 11D.2 there were no items for consideration.

Under Item 11D.3, PGT Cash Activity Report, Mr. Drago stated there was no unusual activity for the month, and that the budget comparison report was attached.

Under Items 11E New Business, 11F Unfinished Business, and 11G, there were no items to address.

Seeing no further items on the agenda, the vice-chairman called for a motion to adjourn.

**Motion by Chief Sullivan, seconded by Mr. Bernard to adjourn at 11:22 a.m.**

**No discussion and no objections.**

**Motion passed by those members present.**

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**MARK LEBLANC**  
**VICE-CHAIRMAN, RETIREMENT BOARD OF TRUSTEES**

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**RUSSELL SMITH**  
**ASSISTANT RETIREMENT ADMINISTRATOR**